

MEADE COUNTY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2007

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents - Note C	25,861,318	126,214	25,987,532
Accounts Receivable:			
Taxes - Current	133,810		133,810
Taxes - Delinquent	52,368		52,368
Accounts Recievable	206,665		206,665
Intergovernmental - State	37,870		37,870
Intergovernmental - Federal	204,295		204,295
Bond Issue Costs	1,051,595		1,051,595
Inventories for Consumption		35,083	35,083
Total Current Assets	27,547,921	161,297	27,709,218
Noncurrent Assets - Note F			
Land	1,649,481		1,649,481
Construction In Progress	17,543,762		17,543,762
Buildings & Improvements	42,164,455		42,164,455
Furniture & Equipment	6,613,033	1,034,603	7,647,636
Less: Accumulated Depreciation	(17,408,737)	(830,272)	(18,239,009)
Total Noncurrent Assets	50,561,994	204,331	50,766,325
TOTAL ASSETS	78,109,915	365,628	78,475,543
LIABILITIES:			
Current Liabilities:			
Accounts Payable	707,609	3,111	710,720
Accrued Payroll and Related Expenses	72,716		72,716
Accrued Sick Leave - Note A	128,609		128,609
Deferred Revenues	323,951		323,951
Bond Obligations - Note E	1,450,000		1,450,000
Accrued Interest Payable	258,194		258,194
Total Current Liabilities	2,941,079	3,111	2,944,190
Noncurrent Liabilities:			
Bond Obligations - Note E	34,870,000		34,870,000
Accrued Sick Leave - Note A	770,116		770,116
Total Noncurrent Liabilities	35,640,116		35,640,116
TOTAL LIABILITIES	38,581,195	3,111	38,584,306
NET ASSETS:			
Invested in Net Assets, Net of Related Debt	14,241,994	204,331	14,446,325
Restricted for:			
Capital Projects	15,364,827		15,364,827
Unrestricted	9,921,899	158,186	10,080,085
TOTAL NET ASSETS	39,528,720	362,517	39,891,237
TOTAL LIABILITIES AND NET ASSETS	78,109,915	365,628	78,475,543

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

FUNCTION/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
GOVERNMENTAL ACTIVITIES:							
Instructional	21,547,841		3,106,341		(18,441,500)		(18,441,500)
Student Support Services	2,017,809		47,154		(1,970,655)		(1,970,655)
Staff Support Services	1,658,493		311,956		(1,346,537)		(1,346,537)
District Administration	1,005,687				(1,005,687)		(1,005,687)
School Administration	1,836,268		30,208		(1,806,060)		(1,806,060)
Business Support Services	499,237				(499,237)		(499,237)
Plant Operation & Maintenance	3,335,056		17,000		(3,318,056)		(3,318,056)
Student Transportation	2,204,522		92,206		(2,112,316)		(2,112,316)
Central Office	207				(207)		(207)
Community Service Operations	335,404		350,330		14,926		14,926
Facilities Acquisition & Construction	14,160		7,256	2,155,012	2,148,108		2,148,108
Interest on Long-Term Debt - Note Q	716,727				(716,727)		(716,727)
TOTAL GOVERNMENTAL ACTIVITIES	35,171,411	0	3,962,451	2,155,012	(29,053,948)		(29,053,948)
BUSINESS-TYPE ACTIVITIES:							
Food Service	2,473,410	869,936	1,478,150	71,295		(54,029)	(54,029)
TOTAL BUSINESS-TYPE ACTIVITIES	2,473,410	869,936	1,478,150	71,295	0	(54,029)	(54,029)
TOTAL SCHOOL DISTRICT	37,644,821	869,936	5,440,601	2,226,307	(29,053,948)	(54,029)	(29,107,977)
GENERAL REVENUES:							
Taxes					6,873,431		6,873,431
State Aid - Formula Grants					24,660,144		24,660,144
Investment Earnings					1,686,148	6,900	1,693,048
Miscellaneous					69,415		69,415
SPECIAL ITEMS:							
Gain(Loss) Sale of Assets					18,286		18,286
Loss Compensation					13,545		13,545
TOTAL GENERAL & SPECIAL					33,320,969	6,900	33,327,869
CHANGE IN NET ASSETS					4,267,021	(47,129)	4,219,892
NET ASSETS - BEGINNING					35,261,699	409,646	35,671,345
NET ASSETS - ENDING					39,528,720	362,517	39,891,237

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007

	GENERAL FUND	SPECIAL REVENUE FUND	CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Cash Equivalents	10,194,008	137,916	13,311,327	2,218,067	25,861,318
Accounts Receivable:					
Taxes - Current	133,810				133,810
Taxes - Delinquent	52,368				52,368
Accounts	206,665				206,665
Intergovernmental - State		37,870			37,870
Intergovernmental - Federal		204,295			204,295
TOTAL ASSETS	<u>10,586,851</u>	<u>380,081</u>	<u>13,311,327</u>	<u>2,218,067</u>	<u>26,496,326</u>
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Accounts Payable	723,209	56,130		986	780,325
Accrued Sick Leave	128,609				128,609
Deferred Revenues		323,951			323,951
Total Liabilities	<u>851,818</u>	<u>380,081</u>	<u>0</u>	<u>986</u>	<u>1,232,885</u>
Fund Balance:					
Reserved for:					
Accrued Sick Leave	770,116				770,116
Unreserved:	8,964,917				8,964,917
Capital Projects Fund			13,311,327	2,053,500	15,364,827
Debt Service Fund				163,581	163,581
Other Purposes					
Total Fund Balance	<u>9,735,033</u>	<u>0</u>	<u>13,311,327</u>	<u>2,217,081</u>	<u>25,263,441</u>
TOTAL LIABILITIES AND NET ASSETS	<u>10,586,851</u>	<u>380,081</u>	<u>13,311,327</u>	<u>2,218,067</u>	<u>26,496,326</u>

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007

Amounts reported for governmental activities in the statement of net assets are different because:

TOTAL GOVERNMENTAL FUND BALANCE		25,263,441
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of Capital Assets	67,970,731	
Accumulated Depreciation	<u>(17,408,737)</u>	50,561,994
Bond Issuance Costs		1,051,595
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds Payable	(36,320,000)	
Accrued Interest on Bonds	(258,194)	
Accrued Sick Leave	<u>(770,116)</u>	<u>(37,348,310)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES		<u><u>39,528,720</u></u>

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	GENERAL	SPECIAL REVENUE FUND	CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	5,208,206			1,665,225	6,873,431
Earnings on Investments	912,605		773,543		1,686,148
Intergovernmental - State	24,461,523	1,894,093		2,289,630	28,645,246
Intergovernmental - Federal	66,370	1,882,725			1,949,095
Other Sources	72,987	85,265		2,597	160,849
TOTAL REVENUES	30,721,691	3,862,083	773,543	3,957,452	39,314,769
EXPENDITURES:					
Instructional	17,739,710	3,176,743			20,916,453
Student Support Services	1,970,655	47,154			2,017,809
Staff Support Services	1,338,989	311,956			1,650,945
District Administration	970,836				970,836
School Administration	1,804,799	30,208			1,835,007
Business Support Services	499,143				499,143
Plant Operation & Maintenance	3,024,435	17,000		285,796	3,327,231
Student Transportation	2,350,826	92,206			2,443,032
Food Service Operation	1,315				1,315
Community Service Operations		350,330			350,330
Adult Education Operations					
Facilities Acquisition & Construction	392,408	14,188	15,059,103		15,465,699
Debt Service:					
Principal				1,225,000	1,225,000
Interest				878,857	878,857
TOTAL EXPENDITURES	30,093,116	4,039,785	15,059,103	2,389,653	51,581,657
EXCESS(DEFICIT) REVENUES OVER EXPENDITURES	628,575	(177,702)	(14,285,560)	1,567,799	(12,266,888)
OTHER FINANCING SOURCES(USES):					
Proceeds from Sale of Bonds			26,475,075		26,475,075
Proceeds from Sale of Assets	31,832				31,832
Operating Transfers In - Note O		80,906	1,121,812	1,969,239	3,171,957
Operating Transfers Out - Note O	(80,906)			(3,091,051)	(3,171,957)
TOTAL OTHER FINANCING SOURCES	(49,074)	80,906	27,596,887	(1,121,812)	26,506,907
NET CHANGE IN FUND BALANCES	579,501	(96,796)	13,311,327	445,987	14,240,019
FUND BALANCES - BEGINNING	9,155,532	96,796	0	1,771,094	11,023,422
FUND BALANCES - ENDING	9,735,033	0	13,311,327	2,217,081	25,263,441

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

Amounts reported for governmental activities in the statement of net assets are different because:

NET CHANGES - GOVERNMENTAL FUNDS		14,240,019
Governmental funds report capital outlays as expenditures because they use current financial resources. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital exceeds depreciation expense for the year.		
Depreciation Expense	(1,590,582)	
Capital Outlays	<u>16,643,707</u>	15,053,125
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.		
Principal Paid	1,225,000	
Bond Proceeds	<u>(26,475,075)</u>	(25,250,075)
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.		
Amortization-Bond Issuance Costs	(78,379)	
Accrued Interest Payable	(134,717)	
Accrued Sick Leave	<u>442,643</u>	229,547
In the statement of activities the net gain on the sale/disposal of assets is reported in whereas in the governmental funds the proceeds from the sale increases financial resources. Thus the change in net assets differs from change in fund balances by the cost of the asset sold.		
Gain - Sale of Assets		<u>(5,595)</u>
CHANGES - NET ASSETS GOVERNMENTAL FUNDS		<u><u>4,267,021</u></u>

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes	4,345,000	4,511,661	5,208,206	(696,545)
Other Local Sources	125,000	200,000	985,592	(785,592)
State Sources	18,570,000	19,241,000	24,461,523	5,220,523
Federal Sources	49,629	76,369	66,370	(9,999)
Other Sources			31,832	31,832
TOTAL REVENUES	23,089,629	24,029,030	30,753,523	6,724,493
EXPENDITURES:				
Instructional	15,004,673	15,275,244	17,739,710	(2,464,466)
Student Support Services	1,102,970	1,594,549	1,970,655	(376,106)
Staff Support Services	1,143,887	959,460	1,338,989	(379,529)
District Administration	850,848	853,652	970,836	(117,184)
School Administration	1,430,356	1,468,323	1,804,799	(336,476)
Business Support Services	398,699	424,962	499,143	(74,181)
Plant Operation & Maintenance	2,850,990	2,983,533	3,024,435	(40,902)
Student Transportation	2,145,401	2,402,411	2,350,826	51,585
Food Service Operations			1,315	(1,315)
Facility Acquisition & Construction	3,432,730	2,532,729	392,408	2,140,321
Other	2,813,616	2,547,531	80,906	2,466,625
TOTAL EXPENDITURES	31,174,170	31,042,394	30,174,022	868,372
NET CHANGE IN FUND BALANCE	(8,084,541)	(7,013,364)	579,501	7,592,865
FUND BALANCES - BEGINNING	8,084,541	7,013,364	9,155,532	0
FUND BALANCES - ENDING	0	0	9,735,033	7,592,865

On-behalf payments totaling \$4,838,342 are not budgeted by the Meade County School District.

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes				
Other Local Sources	210,417	75,626	85,265	(9,639)
State Sources	4,491,330	1,744,435	1,894,093	(149,658)
Federal Sources	5,856,480	2,011,659	1,882,725	128,934
Other Sources	1,520,748	67,608	80,906	(13,298)
TOTAL REVENUES	12,078,975	3,899,328	3,942,989	(43,661)
EXPENDITURES:				
Instructional	9,715,134	3,122,265	3,176,743	(54,478)
Student Support Services	152,854	49,480	47,154	2,326
Staff Support Services	1,026,051	325,874	311,956	13,918
School Administration	41,092	41,017	30,208	10,809
Plant Operation & Maintenance	51,000	17,000	17,000	0
Student Transportation	278,123	2,100	92,206	(90,106)
Community Service Operations	749,847	341,592	350,330	(8,738)
Facility Acquisition & Construction	64,874		14,188	(14,188)
TOTAL EXPENDITURES	12,078,975	3,899,328	4,039,785	(140,457)
NET CHANGE IN FUND BALANCE	0	0	(96,796)	96,796
FUND BALANCES - BEGINNING	0	0	96,796	0
FUND BALANCES - ENDING	0	0	0	96,796

See accompanying auditor's report and accompanying notes to financial statements.



MEADE COUNTY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2007

	<u>FOOD SERVICE FUND</u>
ASSETS:	
Current Assets:	
Cash & Cash Equivalents	126,214
Investments	
Accounts Receivable	
Inventories for Consumption	<u>35,083</u>
Total Current Assets	<u>161,297</u>
Noncurrent Assets:	
Furniture & Equipment	1,034,603
Less: Accumulated Depreciation	<u>(830,272)</u>
Total Noncurrent Assets	<u>204,331</u>
TOTAL ASSETS	<u><u>365,628</u></u>
LIABILITIES:	
Current Liabilities:	
Account Payable	3,111
Accrued Sick Leave	
Total Current Liabilities	<u>3,111</u>
Net Assets:	
Invested in Assets, Net of Debt	204,331
Unrestricted	<u>158,186</u>
Total Net Assets	<u><u>362,517</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>365,628</u></u>

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	FOOD SERVICE FUND
	<u>                    </u>
OPERATING REVENUES:	
Lunchroom Sales	869,936
Other Operating Revenues	
TOTAL OPERATING REVENUES	<u>869,936</u>
OPERATING EXPENSES:	
Salaries & Benefits	1,070,195
Contract Services	59,381
Materials & Supplies	1,278,222
Depreciation - Note F	48,689
Other Operating Expenses	16,923
TOTAL OPERATING EXPENSES	<u>2,473,410</u>
OPERATING INCOME(LOSS)	(1,603,474)
NONOPERATING REVENUES(EXPENSES):	
Federal Grants	1,150,681
State Grants	192,394
Donated Commodities	135,075
Interest Income	6,900
Miscellaneous Income	
TOTAL NONOPERATING REVENUE	<u>1,485,050</u>
INCOME(LOSS) BEFORE CAPITAL CONTRIBUTIONS	(118,424)
CAPITAL CONTRIBUTIONS	<u>71,295</u>
CHANGE IN NET ASSETS	(47,129)
TOTAL NET ASSETS - BEGINNING	<u>409,646</u>
TOTAL NET ASSETS - ENDING	<u><u>362,517</u></u>

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from:	
Lunchroom Sales	869,936
Cash Paid to/for:	
Employees	(877,801)
Supplies	(1,150,486)
Other Activities	(76,304)
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Net Cash Used by Operating Activities	(1,234,655)
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CASH FLOWS FROM NON-CAPITAL AND RELATED  
FINANCING ACTIVITIES:

Federal Grants	1,150,678
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CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES:

Purchases of Capital Assets	-
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CASH FLOWS FROM INVESTING ACTIVITIES

Receipt of Interest Income	6,900
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Net Decrease in Cash and Cash Equivalents	(77,077)
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Balances, Beginning of Year	203,291
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Balances, End of Year	126,214
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RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED BY OPERATING ACTIVITIES:

Operating Loss	(1,603,474)
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Adjustments to Reconcile Operating Loss to Net Cash (Used)  
by Operating Activities

Depreciation	48,689
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State On-Behalf Payments	192,394
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Donated Commodities	135,075
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Change in Assets and Liabilities:

Accounts Receivable	
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Inventory	1,797
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Accounts Payable	(11,136)
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Net Cash Used by Operating Activities	(1,236,655)
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Schedule of Non-Cash Transactions:

Donated Commodities	192,394
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State On-Behalf Payments	135,075
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Capital Contributions	71,295
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See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2007

	<u>AGENCY FUND</u>
ASSETS:	
Cash and Cash Equivalents	284,097
Accounts Receivable	
Investment Income Receivable	
Loans Receivable	
Investments - Note D	
TOTAL ASSETS	<u>284,097</u>
LIABILITIES:	
Accounts Payable	12,232
Due to Student Groups	<u>271,865</u>
TOTAL LIABILITIES	<u>284,097</u>
NET ASSETS HELD IN TRUST	<u><u>0</u></u>

See independent auditor's report and accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

## NOTE F - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ENDING BALANCE
GOVERNMENTAL ACTIVITIES:				
Land	1,257,045	392,436		1,649,481
Land Improvements	2,348,489			2,348,489
Buildings & Building Improvements	39,815,966			39,815,966
Technology Equipment	2,097,333	224,829	302,117	2,020,045
Vehicles	3,556,195	568,718	212,120	3,912,793
General Equipment	657,491	22,704		680,195
Construction In Progress	2,108,742	15,435,020		17,543,762
TOTAL AT HISTORICAL COST	51,841,261	16,643,707	514,237	67,970,731
LESS ACCUMULATED DEPRECIATION FOR:				
Land	0			0
Land Improvements	1,635,455	80,178		1,715,633
Buildings & Building Improvements	10,638,951	966,344		11,605,295
Technology Equipment	1,590,669	182,854	296,522	1,477,001
Vehicles	2,027,863	309,478	212,120	2,125,221
General Equipment	433,859	51,728		485,587
Construction In Progress	0			0
TOTAL ACCUMULATED DEPRECIATION	16,326,797	1,590,582	508,642	17,408,737
GOVERNMENTAL ACTIVITIES CAPITAL NET	35,514,464	15,053,125	5,595	50,561,994
PROPRIETARY ACTIVITIES:				
Land	0			0
Buildings & Building Improvements	0			0
Technology Equipment	10,895			10,895
Vehicles	0			0
General Equipment	972,210	71,298	19,800	1,023,708
Construction	0			0
TOTALS AT HISTORICAL COST	983,105	71,298	19,800	1,034,603
LESS ACCUMULATED DEPRECIATION FOR:				
Land	0			0
Buildings & Building Improvements	0			0
Technology Equipment	4,720	2,298		7,018
Vehicles	0			0
General Equipment	794,663	46,391	17,800	823,254
Construction	0			0
TOTAL ACCUMULATED DEPRECIATION	799,383	48,689	17,800	830,272
PROPRIETARY ACTIVITIES CAPITAL NET	183,722	22,609	2,000	204,331
DEPRECIATION EXPENSE CHARGED TO GOVERNMENTAL FUNCTIONS AS FOLLOWS:				
Instructional				1,209,017
Student Support Services				0
Staff Support Services				7,548
District Administration				34,850
School Administration				1,261
Business Support Services				2,389
Plant Operation & Maintenance				18,025
Student Transportation				315,792
Central Office				270
Community Service Operations				1,430
TOTAL				1,590,582

